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World Production and Trade

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WR 8-87

Feb. 26, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

TRADE NOTES

URUGUAY ROUND AGRICULTURAL GROUP Meets in Geneva. The Uruguay Round Agricultural Negotiating Group completed its first formal meeting February 18 in Geneva. During the session, the group approved the appointment of Aart de Zeeuw of the Netherlands as chairman and began substantive discussions. Delegations used this first meeting largely as an opportunity to state their opening positions and to discuss and initiate the work which needs to be prepared for the next meeting of the group. No major decisions were made. The next meeting is scheduled to take place in early May.

DAIRY, LIVESTOCK AND POULTRY

CHINESE Pork Production Forecast To Fall Slightly in 1987. The U.S. agricultural counselor in Beijing reports that high feed prices will cause the Chinese to reduce hog herd growth and production in 1987. Hog numbers at the start of 1987 were estimated at 331.6 million head, up slightly from 1986, and 10 million head above earlier projections for 1987. Pork production in 1986 was up 4.2 percent to 17.25 million tons, slightly below earlier estimates. For 1987, production is projected to fall to 17.05 million tons. Feed prices at the end of January were reported 35-40 percent above year-ago levels.

WOOD AND WOOD PRODUCTS

U.S. Wood Product Exports Exceed \$3 Billion. U.S. wood product exports surged to a five-year high of slightly more than \$3.0 billion in 1986, up 13 percent from \$2.7 billion in 1985. The strong showing came chiefly on the strength of a 20-percent increase in exports of softwood logs and lumber to Japan.

Total U.S. exports to Japan in 1986 were \$1.3 billion. Japanese interest in U.S. wood products intensified in 1986 as the dollar continued to decline against the yen. U.S. exporters also capitalized on Canada's inability to supply Japan due to domestic labor disputes in its forest products industry.

U.S. exports of wood products to China slipped dramatically in 1986 as continuing exchange availability difficulties reduced U.S. exports 44 percent from \$329 million in 1985 to \$183 million in 1986.

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U.S. exports of value-added wood products exhibited marked increases. Softwood plywood exports expanded 75 percent to \$131 million.

The U.S. outlook for continued wood product export growth remains optimistic across all major commodities and markets. Year-end Chinese import activity in 1986 pointed toward a better year in 1987. Strong gains in Europe are expected to continue. The expansion of the European Community's quota for softwood plywood and renewed European interest in U.S. hardwoods bode well for the coming year.

Taiwan and South Korea remain large purchasers of U.S. hardwoods. Domestic demand for wood and a desire to export furniture drive this demand.

U.S. wood exports for January through December 1986 are shown in the table below. All figures are in millions of dollars on a free along side value basis.

	Japan	Canada	China	Other	Total
Softwood logs	775.5	67.1	178.5	108.3	1,129.4
Softwood lumber	260.1	90.2	1.1	287.5	638.9
Softwood plywood	2.3	20.9	0.0	108.1	131.3
Hardwood logs	13.4	8.3	0.0	75.6	97.3
Hardwood lumber	45.3	70.4	0.1	221.3	337.1
Hardwood plywood	0.5	3.9	0.0	9.0	13.4
Other products	9.5	29.2	3.4	352.7	674.8
Total	1,286.6	390.0	183.1	1,162.5	3,022.2

U.S. imports of wood products for 1986 were \$5.2 billion, up 5 percent over the same period last year. However, the overall rate of increase slowed from 10 percent the previous year. Seventy percent of all U.S. wood products imports were from Canada. Softwood lumber imports from Canada totaled \$2.8 billion, or 13.8 billion board feet. Canadian wood shingles and shakes totaled 5.15 million squares, or \$174 million in 1986, down 3 percent from 1985. In 1986 the United States also imported hardwood plywood valued at \$485 million, with Indonesia accounting for \$250 million and Taiwan accounting for \$118 million.

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of Feb. 20, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
64. Iraq table eggs	Feb. 20, '87	189 million
63. Canary Islands poultry	Feb. 9, '87	5,000
62. Nigeria wheat	Jan. 28, '87	500,000
61. China wheat	Jan. 26, '87	1,000,000 Sold 450,000
60. Iraq wheat	Jan. 16, '87	800,000

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

59.	Switzerland barley or sorghum	Jan. 16, '87	250,000	Sold 9,000
58.	Poland wheat	Jan. 7, '87	500,000	COMPLETE
57.	Poland barley or sorghum	Dec. 31, '86	200,000	Sold 82,000
56.	Romania wheat	Dec. 23, '86	250,000	
55.	Iraq poultry	Dec. 22, '86	60,000	Sold 25,000
54.	Dominican Republic table eggs	Dec. 9, '86	25 million	Sold 8.9 million
53.	Zanzibar wheat flour	Dec. 9, '86	20,000	
52.	Tunisia barley	Dec. 1, '86	150,000	
51.	Gulf countries (Bahrain Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head	Sold 359
50.	West Africa (Cameroon Cote d'Ivoire, Ghana, Togo) wheat	Oct. 30, '86	345,000	Sold 14,500
49.	Dominican Republic poultry	Oct. 29, '86	1,500	Sold 1,133
48.	Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47.	Cameroon wheat flour	Oct. 14, '86	20,000	
46.	Romania barley	Sept. 24, '86	200,000	Sold 125,000
45.	Venezuela barley malt	Sept. 4, '86	100,000	
44.	Cyprus barley	Aug. 26, '86	150,000	Sold 75,000
43.	Canary Islands wheat	Aug. 8, '86	100,000	
42.	Egypt semolina	Aug. 6, '86	30,000	Sold 15,000
41.	Soviet Union wheat	Aug. 1, '86	4,000,000	EXPIRED
40.	Canary Is. dairy cattle	July 28, '86	3,000 head	
39.	Hong Kong table eggs	July 28, '86	44 million eggs	Sold 22.0 million
38.	Senegal wheat	July 17, '86	100,000	COMPLETE
37.	India vegetable oil	July 8, '86	25,000	COMPLETE
36.	Jordan barley	June 17, '86	60,000	
35.	Israel barley	June 17, '86	200,000	Sold 36,200
34.	Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33.	Algeria dairy cattle	May 29, '86	5,000 head	
32.	Sri Lanka wheat	May 16, '86	125,000	Sold 110,000
31.	Saudi Arabia barley	May 7, '86	500,000	COMPLETE
		Aug. 6, '86	250,000	COMPLETE
		Sept. 16, '86	300,000	COMPLETE
		Oct. 8, '86	200,000	COMPLETE
		Jan. 5, '87	1,250,000	(201,000) COMPLETE
30.	Algeria barley	Apr. 17, '86	500,000	

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EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

29.	Morocco dairy cattle	Apr. 16, '86	4,000 head	Sold 3,987
28.	Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
27.	Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
		Sept. 12, '86	10,000 head	Sold 1,855
26.	Yemen poultry feed	Apr. 14, '86	150,000	
25.	Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
		June 24, '86	200,000	COMPLETE
		Oct. 7, '86	500,000	Sold 79,950
24.	Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
23.	Syria wheat	Apr. 8, '86	700,000	CANCELLED
22.	Benin wheat	Apr. 7, '86	45,000	Sold 30,000
21.	Algeria table eggs	Apr. 4, '86	500 million	eggs
20.	Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 200
19.	Jordan wheat	Mar. 19, '86	75,000	COMPLETE
		June 20, '86	75,000	COMPLETE
		Dec. 31, '86	225,000	
18.	Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
		Aug. 22, '86	800,000	Sold 250,000
17.	Algeria wheat flour	Feb. 25, '86	100,000	
16.	Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15.	Philippines wheat	Jan. 7, '86	150,000	COMPLETE (152,400)
14.	Zaire wheat	Dec. 27, '85	40,000	COMPLETE
		May 15, '86	40,000	COMPLETE
		Oct. 17, '86	40,000	Sold 25,000
13.	Nigeria barley malt	Dec. 10, '85	100,000	Sold 19,300
12.	Iraq wheat flour	Dec. 9, '85	150,000	Sold 125,000
		Jan. 7, '87	175,000	
11.	Egypt poultry	Nov. 26, '85	8,000	COMPLETE
		Mar. 21, '86	15,000	COMPLETE
		June 18, '86	5,000	COMPLETE
		July 8, '86	15,000	COMPLETE
		Dec. 19, '86	25,000	Sold 12,500
10.	Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
		May 15, '86	30,000	Sold 15,000
9.	Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8.	Jordan rice	Nov. 8, '85	40,000	Sold 38,700
		Jan. 13, '87	60,000	
7.	Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
6.	Morocco wheat	May 8, '86	500,000	Sold 248,000
		Sept. 30, '85	1,500,000	COMPLETE
		Dec. 9, '86	790,000	Sold 260,000

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5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	Sold 25,000
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	Sold 63,000 LT
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE (512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	Sold 29,000
	Oct. 8, '86	1,000,000	Sold 406,000
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 354,000
durum	Nov. 10, '86	300,000	COMPLETE

EXPORT ENHANCEMENT PROGRAM SUMMARY
Status as of Feb. 20, 1987

Announced to Date 22,693,730 grains and products (grain equivalent)
 758 million table eggs
 134,500 tons frozen poultry
 52,500 head dairy cattle
 25,000 tons vegetable oil

Sold to Date 8,882,959 wheat
 1,326,872 flour (grain equivalent)
 2,757,200 barley
 61,650 semolina (grain equivalent)
 59,065 barley malt (grain equivalent)
 71,000 sorghum
 38,700 rice
 25,000 vegetable oil
 81,633 frozen poultry
 28,901 head dairy cattle
 30,894,000 table eggs

Total Sales Value: \$1,285.7 million

TARGETED EXPORT PROMOTION PROGRAM

No announcements were made under USDA's Targeted Export Promotion Program this week.

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Selected International Prices

Item	: February 24, 1987	: Change from : a week ago	: A year ago
ROTTERDAM PRICES 1/			
Wheat:			
Canadian No. 1 CWRS-13.5%.	10/ 155.50	4.23	+1.00 N.Q.
U.S. No. 2 DNS/NS:	14%.... 140.00	3.81	-0- 174.50
U.S. No. 2 S.R.W.	143.00	3.89	+6.50 153.00
No. 3 H.A.D.	10/ 157.00	4.27	+1.00 161.00
Canadian No. 1 A: Durum.	10/ 166.00	4.52	+1.00 N.Q.
Feed grains:			
U.S. No. 3 Yellow Corn....	82.25	2.09	+4.25 116.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	199.85	5.38	+1.85 215.90
Brazil 47/48% Soya Pellets	190.00	--	+5.00 194.00
U.S. 44% Soybean Meal....	183.00	--	-0- 186.00
U.S. FARM PRICES 3/			
Wheat.....	93.32	2.54	+1.10 112.42
Barley.....	N.Q.	--	-- N.Q.
Corn.....	52.76	1.34	+0.39 90.55
Sorghum.....	51.59	2.34 2/	+0.66 78.04
Broilers.....	1,097.01	--	-4.41 1,095.47
EC IMPORT LEVIES			
Wheat 5/.....	213.15	5.80	-11.80 150.15
Barley.....	211.75	4.61	-4.80 140.75
Corn.....	205.75	5.23	-4.85 131.65
Sorghum.....	206.40	5.24	-2.60 128.00
Broilers 4/ 6/ 8/.....	490.00	--	-6.00 312.00
EC INTERVENTION PRICES 7/ 9/			
Common wheat(feed quality)	213.70	5.82	-2.70 186.90
Bread wheat (min. quality)	223.75	6.09	-2.85 198.80
Maize.....	223.75	5.68	-2.85 198.80
Barley and all other feed			
grains, excluding maize.	213.70	--	-2.70 186.90
Broilers 4/ 6/.....	1,595.00	--	-29.00 1,348.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	150.55	4.10	-0.90 N.A.
Barley.....	153.60	3.34	-5.15 N.A.
Broilers 4/ 6/ 8/.....	393.00	--	-5.00 227.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ April/May shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.

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